Message from the Regional Chairman

Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario L1N 6A3
Telephone 668-7711

As Regional Chairman, it is gratifying to report that the Region has maintained its strong financial position in spite of the general weakening economic conditions which prevailed throughout 1990.

The economic conditions and the continued population growth combined to produce new challenges for the provision of municipal services in 1990. It is a reflection of the strong fiscal policies of the Region that the service requirements of our citizens were met while strict control was maintained over expenditures. Moreover, these policies were instrumental in generating a surplus in the Water Supply, Sanitary Sewerage and General Operations for the year.

The Region has achieved a continued decrease in the level of outstanding debt and a marked increase in funds held in reserve for future capital requirements in spite of the demands placed upon it during the current recession. These achievements have been largely due to the continuation of the Region's pay-as-you-go policy, which is the cornerstone of the Region's capital financing strategy as well as effective long term planning. These accomplishments in 1990 have strengthened our solid financial base from which we can build in future years.

The strong potential for growth and economic development of the Region will be advantageous in the forthcoming economic recovery. It is the principal objective of Regional Council to encourage and promote development by the private and public sectors in the Municipality. Council remains committed to the effective management of growth while maintaining the quality of service to our residents and meeting the fiscal obligations to our taxpayers. I am thankful to Regional Council, our senior appointed staff and all Regional employees for their dedication in meeting these objectives.

The strong fiscal health of Durham Region during the current economic recession is testimony to the underlying strengths of this municipality.

Gary Herrema
Regional Chairman

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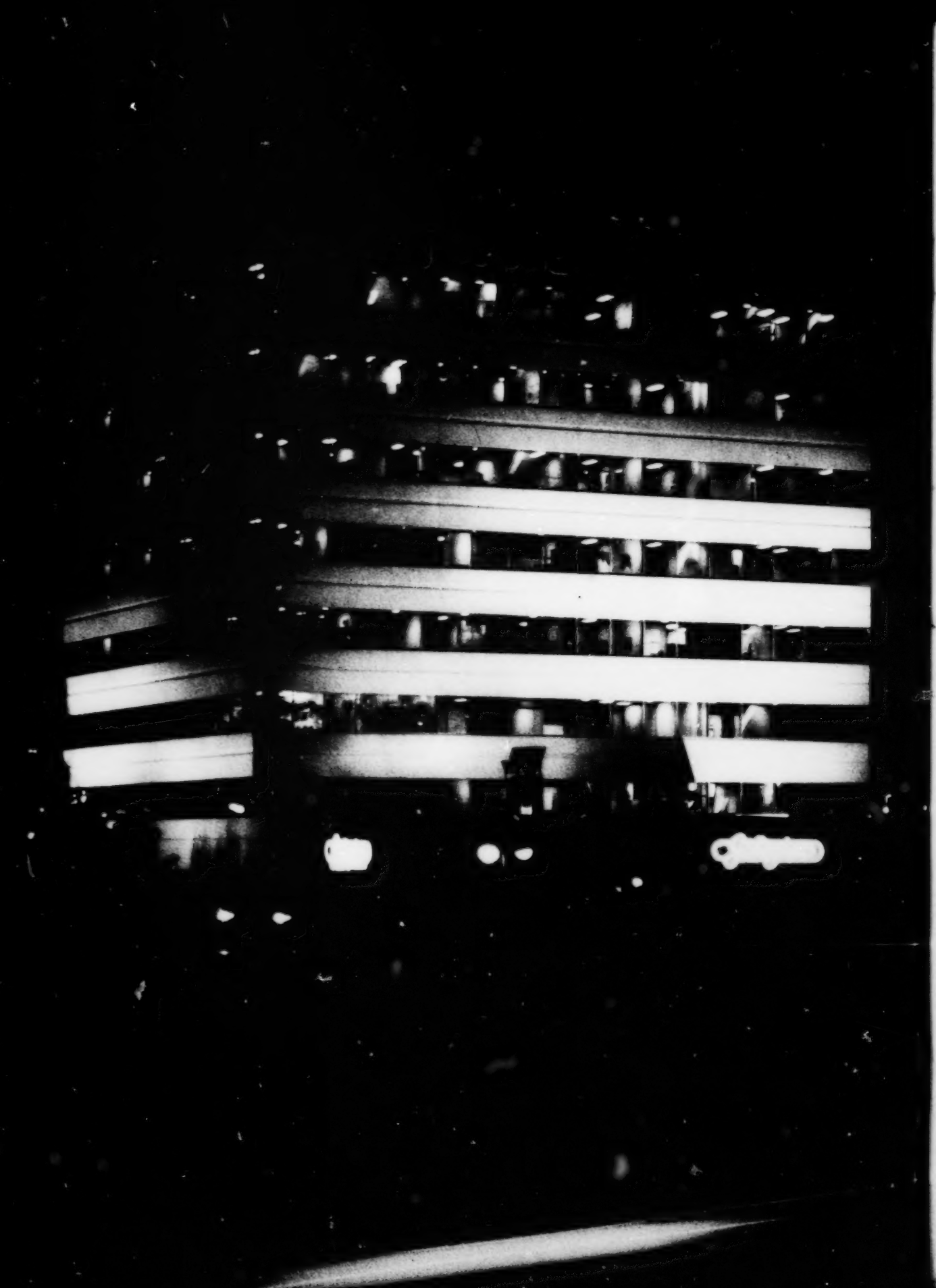
Chief Administrative Officer	D.R. Evans, MA. Sc., P. Eng.
Finance Department	J.L. Gartley, CMA, AMCT *Commissioner of Finance and Treasurer* R.J. Clapp, CA *Director of Treasury and Fiscal Planning* J.M. Cermak, CA *Manager of Accounting* P.N. Richards, BBA, MBA *Manager of Budgets, Economic Studies and Risk Management* M.C. Martinez, MBA, CA *Director of Supply and Utility Finance* J.S. Lorne, CET, MBA *Manager of Supply & Services* R.D. Siblock, CMA *Manager of Water & Sewer Billing and Customer Service*
Auditor	Deloitte & Touche *Chartered Accountants*
Banker	The Royal Bank of Canada
Managers of Fiscal Agency	RBC Dominion Securities Inc. Wood Gundy Limited

Regional Council

December 31, 1990

Chairman	Gary Herrema
Town of Ajax	*Jim Witty Joseph Atkinson Pat Clark
Town of Newcastle	*Marie Hubbard Diane Hamre Larry Hannah Ken Hooper
Town of Pickering	*Wayne Arthurs Douglas Dickerson Robert Mitchell Beverley Morgan
Town of Whitby	*Robert Attersley Marcel Brunelle Joseph Drumm Tom Edwards
City of Oshawa	*Allan Mason John Aker Pauline Beal David Conway Nancy Diamond Linda Dionne Irv Harrell Brian Nicholson Jim Potticary Margaret Shaw Maryanne Sholdra
Township of Brock	*Donald Hadden John Doble
Township of Scugog	*Howard Hall Yvonne Christie
Township of Uxbridge	*Gerri Lynn O'Connor Donald Jackson

**Denotes Mayor of Municipality*



Annual Report

of the Treasurer and Commissioner of Finance
for the year 1990

PREFACE

It is my privilege to present the Financial Statements for the Regional Municipality of Durham for the year ended December 31, 1990, including the Auditors' Report thereon, and to comment on the major economic and financial accomplishments of the past year.

The audited financial statements presented herein have been prepared in accordance with accounting principles generally accepted by municipalities in Ontario. The accounting principles used are those judged to be most appropriate under the circumstances with significant accounting policies described in the accompanying Notes to the Financial Statements.

To ensure that transactions are accurately recorded on a timely basis, properly approved, and result in reliable financial statements, the Region maintains an extensive system of internal accounting controls. The adequacy and preparation of the control systems are monitored on an ongoing basis by the Treasury and Fiscal Planning Section of the Region's Finance Department.

The firm of Deloitte & Touche, Chartered Accountants, through its Auditors' Report, has expressed an independent and informed judgement as to whether the Region's financial statements present fairly the Municipality's financial position and results of its operation in conformity with generally accepted accounting principles.

The Auditors' Report is based on the findings from an examination of the Region's accounting systems, procedures and internal controls and is conducted in accordance with generally accepted auditing standards.

The financial information contained in my Annual Report, which follows, is consistent with the annual audited financial statements.

The Year in Review

Economic Highlights

Compared to the prior two years, 1990 was an extremely difficult year. This was attributed to a general slowdown in construction activity which was related to the broader Provincial and National economic conditions including consumer uncertainty, high interest rates, high taxes and prices and increased unemployment. Like the rest of the Greater Toronto Area (GTA), Durham was adversely affected by the recession, displaying an unemployment rate slightly in excess of 8% by the end of the year.

The total value of building permits was down significantly from $1 billion in 1989 to $650 million in 1990. This included a 50% reduction in both industrial and commercial building activity from the previous fiscal period. On the other hand, building permits for institutional and government expenditures were significantly ahead of 1989 by some 33%. In the non-residential category, new commercial construction accounted for 743,000 square feet while new industrial construction added 1,027,000 square feet. Government construction grew from the 1989 level of 366,000 square feet to 1,307,000 square feet. On a further positive note, Durham's share of the total value of building permits issued in the GTA increased from 16.8% in 1989 to 19.7% in 1990.

The number of residential units built in the Region in 1990 totalled 3,744, down 35.7% from 1989's total of 5,826. With regard to individual municipal performance, the Town of Whitby experienced the least amount of slowdown with a decline of only 6%. Whitby's residential units accounted for 1,279 of the total units in the Region.

The Region currently maintains an excellent supply of serviced industrial lands and actively encourages the promotion of the Region as an attractive location for new industrial and commercial development. In addition to the serviced lands, a substantial portion of lands have been designated for future industrial and commercial uses in the Region's Official Plan.

Companies occupying new space in 1990 included:

- the expansion of General Electric Canada Limited with some 75,000 square feet and a 51,000 sq. ft. expansion of Mason Windows in the Town of Pickering;
- the establishment of the Ontario Hydro Nuclear Services Division in the Annandale Business Park in the Town of Ajax resulting in approximately 350 jobs;
- the start up of a 450,000 square foot recycling newsprint plant by Atlantic Packaging, creating some 350 jobs, and a new 160,000 square foot McGraw-Hill Ryerson headquarters with office and warehouse space on Whitby's lakefront, employing 250 people;
- the occupancy of the new General Motors Administrative building of 285,000 square feet with some 1,100 employees and Moore Business Forms' expansion by 90,000 square feet in the City of Oshawa;
- a new 20,000 square foot head office for Powerscreen and a 6,000 square foot building for International LaCrosse in the new Bowmanville Industrial Park;
- the completion of a new medical office building of 40,000 square feet in the Township of Uxbridge;
- the expansion of Ideal Glass and Mirror by 20,000 square feet in Cannington in the Township of Brock; and,
- the addition of two new industrial multi-use buildings in the Township of Scugog.

Transportation infrastructure is a very important element of the future growth of the Region. Studies are underway by the Ministry of Transportation to establish a preferred routing of Highway #407 through the Region. The expansion of Highway #401 is underway and on schedule, with Phase I to Brock Road, Pickering expected to be completed within the next four years. Another important component, the establishment of a GO train to the City of Oshawa was initiated in 1990. This service was inaugurated two years earlier than previously expected.

In spite of the reduction in building activity in 1990, the Region prospered in the general context of the GTA. It is extremely encouraging to see the Region take a greater role in the growth and development of Canada's heartland. The 1990's will foster increased growth in the Region as Durham, and the Province as a whole, emerge from the recession. A positive attitude and a responsive municipal government will allow the Region to look to the future with confidence.

The Year in Review

Financial Overview

The financial results for 1990 are impressive despite the weak economic situation and the increased service requirements of the Region's population. Through prudent spending restraints exercised by Regional Council and by close adherence to financial controls, a general levy surplus of $2.3 million was achieved for the year ended December 31, 1990. This surplus is being used to offset taxation in 1991, and in particular, was instrumental in limiting the increase in the 1991 Net Regional Levy to 4.1%.

In 1990, the Region was able to meet the increasing demand for municipal services while maintaining Council's pay-as-you-go philosophy for financing capital expenditures. Service increases were most apparent in the provision of social assistance necessitated by the recessionary economy and the policies of the Province of Ontario. The strong financial controls and the constant monitoring of expenditures provided early warning of this rising demand and allowed Council to adopt measures to manage the increasing social assistance costs while still maintaining overall financial integrity.

The pay-as-you-go philosophy continued to be the cornerstone of the Region's capital financing strategy. To this end, approximately $35.3 million in financing ($29.9 million in 1989) was provided in the 1990 Water Supply and Sanitary Sewerage Budgets for capital expenditures.

As in prior years, the Region budgeted special capital levies to supplement the pay-as-you-go strategy. In 1990, these special levies provided financing towards projects such as the installation of a communication network for the Police Force ($500,000), additional roads resurfacing projects ($1,150,000), and a new Regional Administrative facility ($1,072,886).

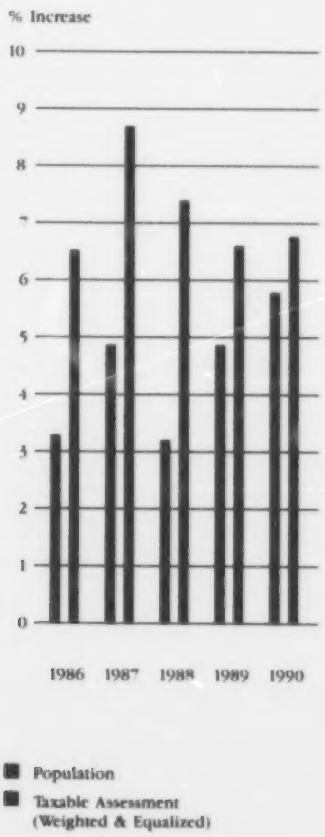
Regional Council also adopted amendments to the by-laws governing the Rate Stabilization Reserve Funds for Water Supply and Sanitary Sewerage which will complement the pay-as-you-go strategy. Under the new strategy, surpluses arising in the Water Supply and Sanitary Sewerage operations are set aside in the applicable reserve fund to be used, not only to regulate the fluctuation in the user rates, but also to provide financing for future water and sewer plant related capital costs. At the end of 1990, the balances in the Rate Stabilization Reserve Funds for Water Supply and Sanitary Sewerage were $6.2 million and $12.0 million, respectively.

Regional Council's discharge of responsibility in a fiscally sound manner and the careful observance of financial controls are directly responsible for the 1990 results. The concern for the financial health of the Region, along with careful consideration of the impact on the property taxes of the area's ratepayers, are of primary interest. In spite of poor economic conditions and increasing service requirements, Durham has been able to maintain the increase in the Region's share of the local tax bill at levels which are very comparable to other growth municipalities.

Population and Taxable Assessment Growth

As shown in Exhibit 1, the taxable assessment has increased at a greater rate than the growth in the population for the last five years. The 1990 population increased by 5.8%, but more importantly, taxable assessment growth increased by 6.8%.

Exhibit 1
Population and Taxable Assessment for the Years 1986 – 1990



Revenue Fund

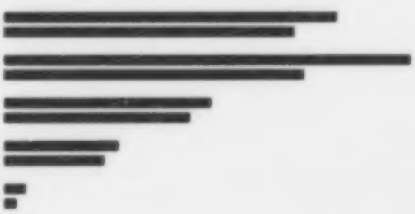
Sources of Financing

The main sources of revenues in 1990 for Durham total $250.5 million and are presented in Exhibit 2 below.

The major source of financing for the Region is the conditional and unconditional grants provided by the Province of Ontario. For 1990, this funding amounted to $94.2 million and represented 37.6% of the total financing, up from 33.5% in 1989. The increase in Provincial funding is largely due to the increase in conditional funding for general welfare assistance related expenditures. The balance of the financing was received from the Regional levy (31.3%), user charges for water supply and sanitary sewage treatment (19.3%), fees and service charges (10.6%) and other miscellaneous sources (1.2%).

Exhibit 2
Sources of Revenue Fund Financing

(All amounts in thousands of dollars)		1990	1989
REVENUE	Regional Levy	**78,445**	67,677
	Ontario Grants	**94,169**	68,203
	User Charges: Water and Sewer	**48,422**	43,444
	Fees and Service Charges	**26,534**	22,234
	Other	**2,883**	2,072
	Total Revenue	**250,453**	203,630



Revenue Fund

Expenditures

In 1990, total gross revenue fund expenditures amounted to $253.7 million, an increase of 23.6% from the prior year's total of $205.2 million. These expenditures include transfers of monies to the capital fund, as part of the pay-as-you-go policy, and to reserves and reserve funds. Revenue fund expenditures on current operations alone totalled $220.6 million, an increase of 24.0% from 1989.

As in prior years, Social and Family Services represented the largest expenditure item at $93.9 million or 42.6% of total current expenditures. The cost of Social and Family Services includes welfare assistance, family counselling, day nursery services and the operation of Durham's three Homes for the Aged. These costs are directly related to programs established by the Province of Ontario, and accordingly, are extensively subsidized by the Province.

The cost for Protection to Persons and Property totalled $42.7 million or 19.4% of total expenditures. Of this amount, $41.1 million represented the Durham Regional Police Force costs for the year while the balance represented the Regional share of the costs of various Conservation Authorities and the Emergency Measures program.

The balance of expenditures of the revenue fund is illustrated in Exhibit 3 below.

Exhibit 3
Revenue Fund Expenditures
(All amounts in thousands of dollars)

		1990	1989
EXPENDITURE	General Government	8,469	6,532
	Protection to Persons and Property	42,740	35,288
	Transportation Services	10,633	9,806
	Waterworks	15,938	16,654
	Sanitary Sewage	20,190	20,783
	Waste Disposal	17,969	14,907
	Health Services	7,273	6,091
	Social Services	57,858	33,382
	Senior Citizen Services	27,323	23,740
	Day Nurseries	6,750	5,598
	Family & Children's Services	1,981	2,062
	Planning & Development	3,594	3,009
	Total Expenditure	220,628	177,852

■ 1990
■ 1989

Water Supply and Sanitary Sewage Operations

A major responsibility of the Region of Durham is the administration, operation and maintenance of the water supply and sanitary sewerage systems. Revenues required to finance these Regional functions are raised primarily from Region-wide uniform user fees. The water and sewer revenues and expenditures are monitored very closely during the year to ensure that these specialized operations are self-financing.

In 1990, the Water Supply Operation generated a surplus of $4.8 million, due in part to the revenues from the sale of water and in part to the deferral to future years of certain capital projects. In accordance with the new Council policy, this surplus has been transferred to the Rate Stabilization Reserve Fund and can be used in future years to offset increases in the user rates and to finance capital expansion of the water supply system.

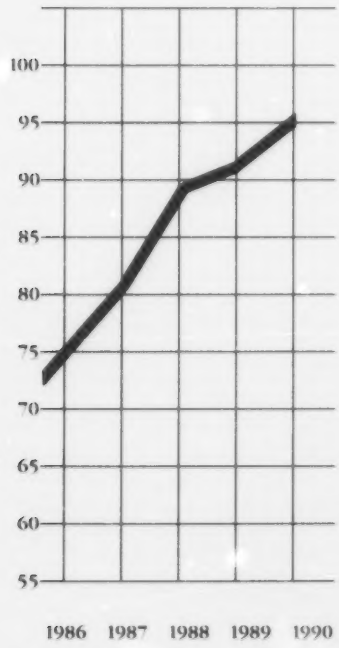
Similarly, the 1990 operation of the Sanitary Sewerage system resulted in a surplus of $7.3 million. As with the Water Supply Operation, this surplus has been transferred to the applicable rate stabilization reserve fund for use in future years.

The generation of surplus user revenues in the past few years has resulted from the continued growth in the customer base and increases in water consumption, especially by the industrial and commercial sectors. The increase in the number of water customers for the past five years is shown in Exhibit 4 below.

Exhibit 5 indicates the total amount spent on Water Supply and Sanitary Sewerage Operations and the surplus generated for each of the years 1986 to 1990. This chart reveals the strong financial position of the Water Supply and Sanitary Sewerage Operations.

Exhibit 4

Increase In The Number Of Water Customers (1986 to 1990)



To ensure the continued viability and financial stability of the Water Supply and Sanitary Sewerage operations within Durham, a study group, consisting of staff from the Works, Planning and Finance Departments review the financing and servicing of the Water Supply and Sanitary Sewerage Systems annually. In addition, the water and sewer rates, rate structures, development charges and long term capital forecasts are examined in detail to ensure that:

- the water and sewer rates are adequate and the rate structures are appropriate;
- the financial resources available to the Water Supply and Sanitary Sewerage systems in the form of user revenues, development charges and other revenues are sufficient to meet anticipated expenditures; and
- the Water Supply and Sanitary Sewerage systems are self-supporting and financially managed in the most efficient manner consistent with the needs of the ratepayers in Durham.

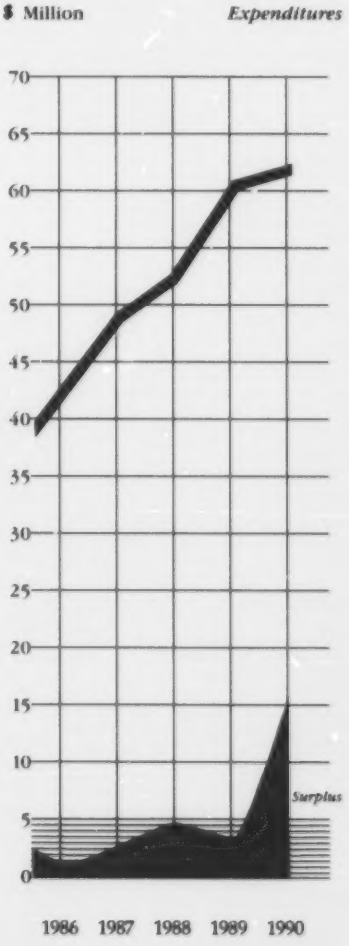
As a result of this review, the 1990 Regional water and sanitary sewer user rates were increased by an average 7.9% for a typical residential customer using 60,000 gallons per year. Similarly, water and sanitary sewer rates increased in 1991 by 5.6% for a typical residential customer using 60,000 gallons per year, in order to meet current and capital expenditure requirements.

In 1990, Regional staff initiated a review of all policies, procedures and rate calculations relating to the imposition of Regional Development Charges in response to the enactment of the Development Charges Act, 1989. This Act sets forth a legislative framework for the calculation and collection of development charges and the structure of front-end financing arrangements. Development charges are utilized by the Region to help finance the residential growth related capital costs of providing municipal services and are an important source of capital financing to the Region.

Durham will continue to monitor and review the costs and financing of the Water Supply and Sanitary Sewerage Operations annually to ensure efficiently managed and financially sound systems which will allow for future growth, yet not impose an undue financial burden on the users of these systems.

Exhibit 5

Water and Sanitary Sewer Expenditures and Yearly Surplus Amounts



Solid Waste Management

In 1990, a number of issues with respect to waste management continued to have significant financial implications for the Region's Waste Management Program:

- The Region and Metro Toronto entered into an agreement for the construction and operation of a landfill site located in Pickering to be jointly utilized by both municipalities as an interim measure to provide landfill capacity.
- The Region proceeded with the integration of a number of programs to assist in achieving the Province's goal of reducing solid waste entering landfill sites by 25% by 1992 and 50% by the year 2000 through reduction, reuse and recycling initiatives (3R's).
- Effective December 1, 1990, Durham Recycling Centre Inc. ceased operations with the responsibility for the recycling processing and collection taken over by Durham Region and the area municipalities respectively.
- The Region also continued with its Master Plan to identify long term waste disposal facilities to accommodate the Region's waste management requirements beyond 1996.

In November 1990, the Ministry of Environment announced a new three-part waste management strategy and the creation of a new Public Waste Authority responsible for selecting and operating long term waste disposal sites in the Greater Toronto Area (GTA). Exemptions from the Environmental Assessment process for sites in Whitevale in Durham and Brampton in Peel were suspended. Concurrently, the Province also informed the Regional Municipalities in the GTA that municipal Waste Management Reserves/Reserve Funds may be used only for 3R's projects and related expenditures.

The Provincial announcements have had the effect of negating the Region's previous initiatives of developing an interim landfill site and identifying a suitable long term site in accordance with the Master Plan.

Reserves and Reserve Funds

Financing capital expenditures from sources other than long-term borrowing continues to be a very significant and integral aspect of the overall financing of major capital projects.

In 1990, $20.9 million ($16.7 million in 1989) was transferred to revenue funds from reserves and reserve funds to finance capital expenditures and debenture debt charges related to new residential growth. This reflects Regional Council's on-going desire to pay, whenever possible, for capital expenditures relating to new residential growth from funds which are collected mainly from residential developers for this purpose.

Reserves and reserve fund balances at the end of 1990 were $101.6 million. This amount represents an increase of $35.5 million from 1989. The increase results primarily from three sources: funds received pursuant to the solid waste management agreement with Metropolitan Toronto; surplus funds from the year's operation of the Water Supply and Sanitary Sewerage systems; and the receipt of development charges. Even though development activity slowed down, the Region's collection policy for development charges mitigated the impact of the slowdown. By prudent investment of all reserve funds through the year, an additional $10.7 million in interest income was earned. This income remains in the reserve funds to be applied against future capital requirements for new residential growth.

Capital Operations

Regional Council carefully scrutinizes all funding of capital operations to ensure the financing of as much capital expenditure from current revenues as practical, thereby maintaining the Region's established pay-as-you-go policy. In 1990, Durham spent $53.4 million on capital projects ($46.1 million in 1989). Sources of Capital Funds in 1990 were provided from current operations ($37.5 million), Provincial grants ($8.7 million), and other sources including Reserves and Reserve Funds ($15.4 million).

A summary of the 1990 capital operations is illustrated in Exhibit 6 below.

Exhibit 6 **Capital Expenditures & Financing**

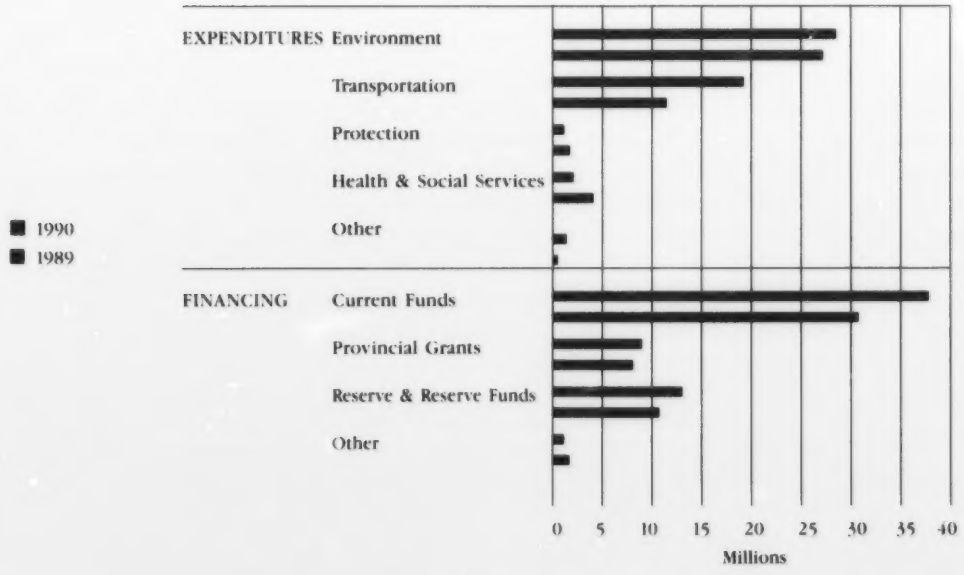
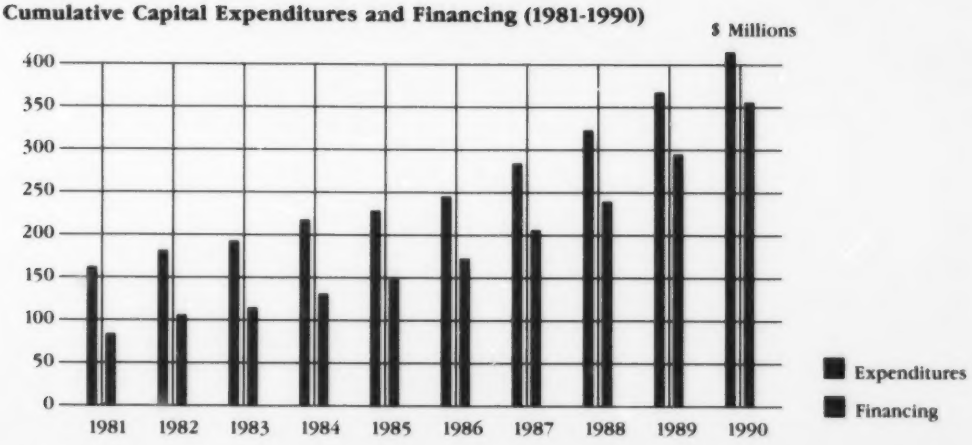


Exhibit 7 highlights Regional Council's pay-as-you-go capital spending policy over the years. Approximately $360 million of capital expenditure, financed from current operations and sources other than long term debt, have been incurred since the inception of the Region in 1974. This represents 76% of the funding of the total capital expenditures program from 1974 to 1990 inclusive.

Exhibit 7

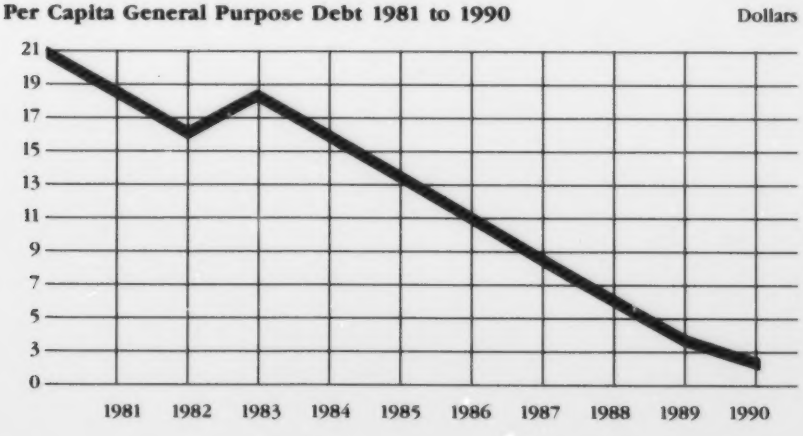
Cumulative Capital Expenditures and Financing (1981-1990)



As a result of financing the vast majority of capital requirements from current funds in the past, the per capita debt for general purposes has continued to decrease over the past ten years, from $16.70 per capita in 1985 to $1.28 per capita in 1990 as illustrated in Exhibit 8 below.

Exhibit 8

Per Capita General Purpose Debt 1981 to 1990



The debt outstanding for sanitary sewer and water servicing purposes has also decreased from a combined total of $71.5 million in 1981 to $21.1 million in 1990, a decrease of 70.5% in the ten year period.

The pay-as-you-go financing policy has been and will continue to be a key component of the Region's capital financing strategy. However, the capital program forecasts include several major projects – expansion and upgrading of water supply and sanitary sewerage plants and completion of transportation links – which will necessitate the use of debenture financing. The careful management of debt levels during the past few years of high growth has placed the Region on firm financial footing, more capable of financing the large infrastructure costs in the future.

In conclusion, the Council of the Region of Durham remains committed to prudent fiscal policies and controls. As a result, the Region has maintained its strong financial position in spite of the recessionary economy and the increasing service demands. The continued adherence to these policies will only strengthen the position of the Region in the economy of the Greater Toronto Area to the benefit of our citizens.

Respectfully submitted,

J.L. Gartley, CMA
Treasurer and Commissioner of Finance

Auditors' Report

Financial Statements

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Regional Municipality of Durham:

We have audited the consolidated balance sheet of the Corporation of the Regional Municipality of Durham as at December 31, 1990 and the consolidated statement of operations for the year then ended. These financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Regional Municipality of Durham as at December 31, 1990 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements.

Deloitte & Touche

Chartered Accountants
Oshawa, Ontario
April 30, 1991

Consolidated Balance Sheet

as at December 31, 1990

	1990	1989
ASSETS	**$**	$
Unrestricted:		
Cash and short-term investments	**35,368,134**	30,077,849
Accounts receivable (net of allowance for doubtful accounts of $280,000 – 1990 and 1989)	**39,853,018**	36,614,455
Other current assets (Note 3)	**6,007,234**	3,608,264
	81,228,386	70,300,568
Restricted: (Note 7)		
Cash and short-term investments	**74,538,345**	56,462,198
Investment in own debentures	**92,914**	109,868
	74,631,259	56,572,066
Capital outlay financed by long-term liabilities and to be recovered in future years (Notes 2, 4 and 5a)	**21,839,767**	27,211,917
	177,699,412	154,084,551
LIABILITIES		
Accounts payable and accrued liabilities	**27,852,334**	35,291,525
Current portion of Ontario Housing Action Program loans	**2,274,833**	5,487,833
Other current liabilities and deferred revenue	**2,341,809**	3,128,311
	32,468,976	43,907,669
Net long-term liabilities (Note 5)	**21,839,767**	27,211,917
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset taxation or user charges in 1991		
– General Revenue	**2,297,817**	2,507,253
– Water Supply System	**—**	1,250,000
– Sanitary Sewerage System	**—**	1,700,000
– Environmental Inspections	**155,301**	288,700
	2,453,118	5,745,953
Unexpended Capital Financing	**19,304,464**	11,083,780
Reserves (Note 6)	**27,001,828**	9,563,166
Reserve Funds (Note 7)	**74,631,259**	56,572,066
	123,390,669	82,964,965
	177,699,412	154,084,551

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Operations

for the year ended December 31, 1990

	1990 ACTUAL $	1989 ACTUAL $
SOURCES OF FINANCING (Schedule 1)		
Requisition on Area Municipalities	78,445,378	67,677,312
User charges – Water and Sewer	48,421,847	43,444,179
Other user charges	26,533,772	22,233,503
Grants		
– Government of Canada	160,340	188,611
– Province of Ontario	102,908,799	76,498,594
Contribution from developers	23,024,043	23,195,251
Other	35,455,478	13,784,190
	314,949,657	247,021,640
Proceeds from issue of long-term liabilities	610,458	—
EXPENDITURES (Notes 2,8,9,10 and 11) (Schedule 1)		
General government	10,077,438	6,734,916
Protection to persons and property	44,888,669	37,712,175
Transportation services	30,100,485	22,161,089
Environmental services	82,349,643	79,421,252
Health services	7,323,480	6,210,957
Social and family services	96,572,546	69,341,399
Planning and development	3,822,150	3,211,084
	275,134,411	224,792,872
EXCESS OF FINANCING OVER EXPENDITURES	40,425,704	22,228,768
FUND BALANCES, BEGINNING OF YEAR	82,964,965	60,736,197
FUND BALANCES, END OF YEAR	123,390,669	82,964,965

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

December 31, 1990

1) MUNICIPAL STRUCTURE

The Regional Municipality of Durham came into existence on October 15, 1973 and assumed its responsibilities on January 1, 1974, under the authority of the Regional Municipality of Durham Act, 1973.

The Region comprises the following Area Municipalities:

City of Oshawa
Town of Ajax
Town of Newcastle
Town of Pickering
Town of Whitby
Township of Brock
Township of Scugog
Township of Uxbridge

and is responsible for services within these Area Municipalities related to the following:

- Financial, including all debt issues.
- Protection to persons and property, including Police, Conservation Authorities, Emergency Planning and Fire Co-ordination.
- Transportation Services, including all Regional Roadways and Traffic Control.
- Environmental Services, including Water Supply System, Sanitary Sewerage System, Regional Storm Sewer System and Waste Disposal.
- Health Services, including Public Health Services and Inspections.
- Social and Family Services, including General Assistance, Homes for the Aged and Day Nurseries.
- Planning, including official plan administration.
- Industrial Development and Promotion.

Notes to Financial Statements

December 31, 1990

2) SUMMARY OF ACCOUNTING PRINCIPLES

a) Basis of Consolidation:

(i) Consolidated Balance Sheet
This statement reflects the assets and liabilities of the revenue fund, reserve funds, the capital fund and the Board of Commissioners of Police.

(ii) Consolidated Statement of Operations
This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds and the capital fund of the municipality, including the activities of the Board of Commissioners of Police.

(iii) Trust Funds and Sinking Fund
The trust funds and sinking fund administered by the municipality are not included in these consolidated financial statements. The "Net long-term liabilities" and "Capital outlay to be recovered in future years" on the Consolidated Balance Sheet have been reduced by an amount equal to the sinking fund administered by the municipality. The Trust Funds and the Sinking Fund financial statements are disclosed separately.

b) Basis of Accounting

(i) Accrual Basis of Accounting
Expenditures and their related sources of financing are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets
The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Fixed assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition.

(iii) Capital Outlay to be Recovered in Future Years
"Capital outlay to be recovered in future years," which represents the outstanding principal portion of long-term liabilities for municipal expenditures or capital funds transferred to other organizations is reported on the Consolidated Balance Sheet.

(iv) Inventories of Supplies
Inventories of supplies are valued at cost on the first-in, first-out basis.

3) OTHER CURRENT ASSETS

	1990	1989
Prepaid Expenses	$4,084,074	$2,061,641
Inventory	1,893,549	1,517,023
Other	29,611	29,600
	$6,007,234	$3,608,264

4) CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS

Certain capital outlay will be recovered in future years from the following sources:

	1990	1989
General activities	$ 498,759	$ 878,422
Special charges on benefitting landowners	2,652,346	2,264,134
Sanitary sewerage operation	6,768,965	9,562,984
Water Supply operation	11,684,697	14,112,377
Waste disposal operation	235,000	394,000
	$21,839,767	$27,211,917

5) NET LONG-TERM LIABILITIES

The balance of net long-term liabilities reported on the Consolidated Balance Sheet is made up of the following:

	1990	1989
Total long-term liabilities incurred by the Region (including the former County of Ontario) and outstanding at the end of the year amount to	**$69,560,834**	$66,048,362
In addition, the Region has assumed responsibility for the payment of principal and interest charges on certain long-term liabilities issued by other municipalities. At the end of the year, the principal amount of this liability is	**713,957**	1,291,150
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed:		
– by other municipalities and independent boards for a principal amount of	**(47,440,597)**	(39,201,408)
– by the Province of Ontario for the York/Durham Sewage System	**(121,095)**	(169,947)
The total value of the Sinking Fund which has been accumulated to the end of the year to retire outstanding long-term liabilities included above, amounts to	**(873,332)**	(756,240)
Net long-term liabilities at the end of the year	**$21,839,767**	$27,211,917

Approval of the Ontario Municipal Board has been obtained for these long-term liabilities.

The net long-term liabilities will be charged to operations as follows:

	1991	1992	1993	1994 to 1998	1999 and Thereafter
	$	$	$	$	$
Water Supply Operation	3,165,243	3,132,019	2,653,120	3,217,237	647,645
Sanitary Sewerage Operation	3,576,236	1,581,998	1,192,674	1,732,826	207,010
Police	88,470	7,210	8,210	7,110	—
Homes for the Aged	190,039	137,447	10,337	48,809	1,127
Waste Disposal Operation	186,500	48,500	—	—	—
	7,206,488	4,907,174	3,864,341	5,005,982	855,782

5) NET LONG-TERM LIABILITIES (continued)

Included in "Net long-term liabilities" on the Consolidated Balance Sheet are the following:

a) An amount of $9,085,793 (1989-$11,082,649) payable in United States dollars, which was converted into Canadian dollars at the rate of exchange prevailing at December 31, 1990. If the liability was converted into Canadian dollars at the exchange rate prevailing when the liability was incurred, the loss on exchange would be $158,979 (1989-$223,607).

A Foreign Exchange Reserve Fund in the amount of $1,786,989 (1989-$1,401,850) has been established to provide for foreign exchange fluctuations and is reflected on the Consolidated Balance Sheet. An amount of $192,539 (1989-$140,348) has been provided for in the current year and is reported on the Consolidated Statement of Operations.

b) An amount of $9,466,295 (1989-$11,741,128) in Ontario Housing Action Program loans, which assist in financing the installation of trunk water and sanitary sewer systems within the Region. Such loan amounts are interest-free and are repayable in accordance with formulae related to the registration of plans of subdivisions in the Towns of Ajax, Pickering, Newcastle and Whitby and the City of Oshawa, on which the Region of Durham can collect development charge levies.

It is estimated that these loans will be charged to operations as follows based on housing projections:

	1991	1992	1993	1994
	$	$	$	$
Water Supply Operation	2,300,000	2,300,000	2,300,000	513,946
Sanitary Sewerage Operation	2,052,349	—	—	—
	4,352,349	2,300,000	2,300,000	513,946

Notes to Financial Statements

December 31, 1990

6) RESERVES

The reserves are comprised of the following:

	1990	1989
Solid waste management	$17,438,865	$ —
Working capital	3,471,516	2,861,580
Equipment replacement	1,810,938	1,290,698
Contingencies	400,000	400,000
Sick leave	1,496,225	1,296,084
Capital construction	2,384,284	3,714,804
	$27,001,828	$9,563,166

The balance in the solid waste disposal reserve fund was transferred to the solid waste management reserve, effective November 21, 1990.

7) RESERVE FUNDS

The reserve funds are comprised of the following:

	1990	1989
Development Charges:		
– Roads	$ 9,337,004	$ 7,642,094
– Sanitary Sewerage	17,626,759	18,423,666
– Water Supply	15,381,466	11,509,088
– Fixed Charges	1,594,467	1,709,570
Rate Stabilization: – Sanitary Sewage	11,974,540	5,852,780
– Waterworks	6,172,743	2,051,000
Regional Share of Non-Residential Development:		
– Sanitary Sewerage	768,226	675,427
– Water Supply	768,226	675,427
911 Emergency Telephone System	2,103,406	1,849,325
Regional Headquarters Building	1,362,686	125,201
Solid Waste Disposal	—	2,935
Industrial Land	779,644	784,690
Roads Property Acquisition	226,452	209,446
Foreign Exchange	1,786,989	1,401,850
Workers' Compensation	349,184	164,599
York Durham Sanitary Sewage	360,417	219,863
Insurance	3,868,440	3,275,105
Police Stations	170,610	—
	$74,631,259	$56,572,066

8) PENSION AGREEMENTS

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 2,486 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 1990 was $4,891,055 (1989-$3,409,447) for current service and is included as an expenditure on the Consolidated Statement of Operations.

In addition, the Region maintains with OMERS a supplementary pension plan for the Regional Police Department. The most recent actuarial valuation for this plan completed as at January 1, 1987 indicated excess funding of approximately $2,058,000. The excess funding has been utilized to offset the unfunded past-service portion of this pension and to offset the Region's current service expenditures for the Police group. The current service expenditure recorded on the Consolidated Statement of Operations has been reduced by $500,000 in 1990 ($800,000 in 1989) and will be reduced by $300,000 in 1991.

9) LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by employees on terminating, amounted to approximately $14,578,000 at the end of the year (1989-$13,100,000). An amount of $417,241 (1989-$522,185) was paid to employees who left the municipality's employment during the current year.

A provision for sick leave reserve in the amount of $1,496,225 (1989-$1,296,084) has been made for this liability and is reflected on the Consolidated Balance Sheet. An amount of $200,141 (1989-$169,695) has been provided for in the current year and is reported on the Consolidated Statement of Operations.

Anticipated payments over the next five years to employees who are eligible to retire are:

1991	$418,500
1992	$362,300
1993	$328,300
1994	$631,300
1995	$570,400

10) CHARGES FOR NET LONG-TERM LIABILITIES

Total charges for the year for net long-term liabilities which are reported on the Consolidated Statement of Operations are as follows:

	1990	1989
– Principal payments, including contributions to the Sinking Fund and to the Ministry of the Environment Debt Retirement Fund	**$5,772,237**	$ 9,514,580
– Interest	**1,861,795**	2,320,139
	$7,634,032	$11,834,719

Of the total 1990 charges shown above, $498,709 was paid from general municipal revenues of the municipality, $3,092,185 was recovered from the water supply operation, $3,816,049 from the sanitary sewerage operation and $227,089 from the waste disposal operation. These amounts are included on the Consolidated Statement of Operations classified under the appropriate functional expenditure headings.

11) CONTRACTUAL OBLIGATIONS

a) Sanitary Sewerage Systems

The Region has entered into an agreement with the Province of Ontario and the Regional Municipality of York whereby the Province will provide sanitary sewerage services to portions of the Regions of Durham and York. Under this agreement, the Province will construct and finance sewage plant facilities, and charge the Regions for the capital costs of the facilities based on a sewage service rate. The sewage service rate for 1990 was $0.746 per thousand gallons for a total cost of approximately $3,061,000 (1989 – $2,526,000).

Effective October 1988, the Region began operating the sewage system on behalf of the Province. The Region assumes its share of operating costs and, in turn, charges the Region of York for a share of the costs incurred to operate the system.

In addition, under the Regional Municipality of Durham Act, 1973, the Region has assumed the responsibility for the payment of sanitary sewage operating costs from the former local municipalities in agreements with the Ontario Water Resources Commission and the Ministry of the Environment at an annual cost of approximately $358,000 (1989 – $358,000).

b) Lease Commitment

The Region has commitments under various building lease agreements expiring in 1991 to 1995. These leases require an annual rental expense of approximately $2,100,000.

12) CONTINGENT LIABILITIES

In 1988, the City of Oshawa initiated legal proceedings against the Region of Durham claiming a percentage ownership in the Regional Headquarters building. In addition, the City is claiming a share of net rental revenues received.
The disposition of this claim is not determinable at the present time.

13) BUDGET FIGURES

Budgets established for Capital Funds, Reserves and Reserve Funds are based on a project-oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts. Therefore the budgets have not been reflected on the Consolidated Statement of Operations.

Schedule of Consolidated Operations

Schedule 1
for the year ended December 31, 1990

	Revenue Fund Budget	Revenue Fund Actual	Capital Fund Actual	Reserves and Reserve Funds Actual	1990 Total Actual
	$	$	$	$	$
SOURCES OF FINANCING					
Requisition on Area Municipalities	78,224,027	78,445,378	—	—	**78,445,378**
User Charges – Water and Sewer	45,035,000	48,421,847	—	—	**48,421,847**
Other User Charges	26,568,341	26,533,772	—	—	**26,533,772**
Grants					
– Government of Canada	142,360	160,340	—	—	**160,340**
– Province of Ontario	89,826,058	94,168,800	8,739,999	—	**102,908,799**
Contribution from developers	—	—	3,174,516	19,849,527	**23,024,043**
Other	741,698	2,722,728	1,014,088	31,718,662	**35,455,478**
	240,537,484	250,452,865	12,928,603	51,568,189	**314,949,657**
Proceeds from issue of long-term liabilities	—	—	610,458	—	**610,458**
EXPENDITURES					
General government	7,895,789	8,468,780	1,608,658	—	**10,077,438**
Protection to persons & property	42,938,113	42,740,229	1,657,064	491,376	**44,888,669**
Transportation services	11,824,246	10,633,556	18,951,676	515,253	**30,100,485**
Environmental services	61,998,964	54,096,925	28,252,718	—	**82,349,643**
Health services	7,413,032	7,272,559	50,921	—	**7,323,480**
Social and family services	86,308,941	93,911,972	2,660,574	—	**96,572,546**
Planning and development	3,950,226	3,503,874	209,460	108,816	**3,822,150**
	222,329,311	220,627,895	53,391,071	1,115,445	**275,134,411**
EXCESS OF FINANCING OVER EXPENDITURES	18,208,173	29,824,970	(39,852,010)	50,452,744	**40,425,704**
APPROPRIATIONS					
Net appropriations between funds	(19,083,473)	(33,117,805)	48,072,694	(14,954,889)	**—**
FUND BALANCES, BEGINNING OF YEAR	875,300	5,745,953	11,083,780	66,135,232	**82,964,965**
FUND BALANCES, END OF YEAR	—	2,453,118	19,304,464	101,633,087	**123,390,669**

Summary Schedule of Continuity of Reserve Funds

Schedule 2
for the year ended December 31, 1990

	1990	1989
	$	$
Balance, beginning of year	**56,572,066**	41,792,902
Revenue		
Metro/Durham landfill agreement	**20,000,000**	—
Interest on investments	**10,718,049**	6,779,245
Development charges	**19,849,527**	19,846,524
Contribution from revenue fund	**15,069,923**	8,062,739
Royalties	**737,427**	2,136,840
Other	**221,085**	671,375
Total revenue	**66,596,011**	37,496,723
Expenditure		
Debt charges and capital expenditure		
– general activities	**4,684,007**	3,507,000
– sanitary sewerage operation	**10,711,219**	5,624,207
– water supply operation	**3,486,677**	4,658,786
– waste disposal operation	**4,884,889**	2,140,207
	23,766,792	15,930,200
Contribution to reserve	**17,438,865**	—
Contribution to capital fund	**6,144,602**	5,973,704
Other	**1,186,559**	813,655
Total expenditure	**48,536,818**	22,717,559
Balance, end of year	**74,631,259**	56,572,066

Continuity of Reserve Funds

Schedule 3

for the year ended December 31, 1990

	DEVELOPMENT CHARGES						
	Roads	Sewerage (Schedule 4)	Water Supply (Schedule 5)	Fixed Charges	Industrial Land	Roads Property Acquisition	Foreign Exchange
	$	$	$	$	$	$	$
Balance, beginning of year	7,642,094	24,951,873	14,235,515	1,709,570	784,690	209,446	1,401,8
Revenue							
Interest on investments	1,400,285	3,761,584	2,437,185	233,518	103,770	38,414	192,6
Development charges	5,005,778	6,727,529	8,113,220	3,000	—	—	
Contribution from revenue fund	—	7,257,055	4,821,730	—	—	400,000	192,5
Royalties	—	—	—	—	—	—	
Metro/Durham landfill agreement	—	—	—	—	—	—	
Other	—	—	—	—	—	93,844	
Total Revenue	6,406,063	17,746,168	15,372,135	236,518	103,770	532,258	385,1
Expenditure							
Debt charges and capital expenditure							
– general activities	4,684,007	—	—	—	—	—	
– sewer/water operations	—	10,598,219	3,374,677	225,000	—	—	
– waste disposal operations	—	—	—	—	—	—	
Contribution to solid waste reserve	—	—	—	—	—	—	
Contribution to capital fund	27,146	1,730,297	3,910,538	126,621	—	—	
Other	—	—	—	—	108,816	515,252	
Total Expenditure	4,711,153	12,328,516	7,285,215	351,621	108,816	515,252	
Balance, end of year	9,337,004	30,369,525	22,322,435	1,594,467	779,644	226,452	1,786,9

Solid Waste Disposal	Insurance	Police Stations	911 Emergency Telephone System	Regional Headquarters Building	Workers' Compensation	York Durham	Total
$	$	$	$	$	$	$	$
2,935	3,275,105	—	1,849,325	125,201	164,599	219,863	**56,572,066**
1,583,392	452,872	20,610	254,081	164,599	34,585	40,554	**10,718,049**
—	—	—	—	—	—	—	**19,849,527**
—	575,713	500,000	—	1,072,886	150,000	100,000	**15,069,923**
737,427	—	—	—	—	—	—	**737,427**
20,000,000	—	—	—	—	—	—	**20,000,000**
—	127,241	—	—	—	—	—	**221,085**
22,320,819	1,155,826	520,610	254,081	1,237,485	184,585	140,554	**66,596,011**
—	—	—	—	—	—	—	**4,684,007**
—	—	—	—	—	—	—	**14,197,896**
4,884,889	—	—	—	—	—	—	**4,884,889**
17,438,865	—	—	—	—	—	—	**17,438,865**
—	—	350,000	—	—	—	—	**6,144,602**
—	562,491	—	—	—	—	—	**1,186,559**
22,323,754	562,491	350,000	—	—	—	—	**48,536,818**
—	3,868,440	170,610	2,103,406	1,362,686	349,184	360,417	**74,631,259**

Continuity of Sewerage Reserve Funds

Schedule 4
for the year ended December 31, 1990

	Rate Stabilization	Development Charges	Regional Share of Non Residential Development	Total
	$	$	$	$
Balance, beginning of year	5,852,780	18,423,666	675,427	**24,951,873**
Revenue				
Interest on investments	804,118	2,864,667	92,799	**3,761,584**
Development charges	—	6,727,529	—	**6,727,529**
Contribution from revenue fund	7,257,055	—	—	**7,257,055**
Total Revenue	8,061,173	9,592,196	92,799	**17,746,168**
Expenditure				
Debt charges and capital expenditure - sanitary sewerage operation	1,939,413	8,658,806	—	**10,598,219**
Contribution to capital fund	—	1,730,297	—	**1,730,297**
Total Expenditure	1,939,413	10,389,103	—	**12,328,516**
Balance, end of year	11,974,540	17,626,759	768,226	**30,369,525**

Continuity of Water Reserve Funds

Schedule 5
for the year ended December 31, 1990

	Rate Stabilization	Development Charges	Regional Share Of Non Residential Development	Total
	$	$	$	$
Balance, beginning of year	2,051,000	11,509,088	675,427	**14,235,515**
Revenue				
Interest on investments	281,786	2,062,600	92,799	**2,437,185**
Development charges	—	8,113,220	—	**8,113,220**
Contribution from revenue fund	4,821,730	—	—	**4,821,730**
Total Revenue	5,103,516	10,175,820	92,799	**15,372,135**
Expenditure				
Debt charges and capital expenditure - water supply operation	981,773	2,392,904	—	**3,374,677**
Contribution to capital fund	—	3,910,538	—	**3,910,538**
Total Expenditure	981,773	6,303,442	—	**7,285,215**
Balance, end of year	6,172,743	15,381,466	768,226	**22,322,435**

Auditors' Report - Sinking Fund

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Regional Municipality of Durham:

We have audited the balance sheet of the sinking fund of the Corporation of the Regional Municipality of Durham as at December 31, 1990 and the sinking fund statement of continuity for the year then ended. These financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the sinking fund of the Corporation of the Regional Municipality of Durham as at December 31, 1990 and the continuity of sinking fund for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

Deloitte, Touche

Chartered Accountants
Oshawa, Ontario
April 30, 1991

Sinking Fund

STATEMENT OF CONTINUITY
for the year ended December 31, 1990

	Debt Retirement Fund	
	1990	1989
	$	$
Balance, beginning of year	274,865	219,894
Contribution from the water supply operation	30,243	30,243
Interest earned	86,849	76,453
	117,092	106,696
Actuarial requirement for the year	54,311	51,725
Balance, end of year	337,646	274,865

BALANCE SHEET
as at December 31, 1990

	Debt Retirement Fund	
	1990	1989
	$	$
Assets		
Investments – at amortized cost (market value $872,880 – 1990; $757,069 – 1989)	873,332	756,240
Liability		
Actuarial requirement for retirement of debenture	535,686	481,375
Fund Balance	337,646	274,865
Total	873,332	756,240

NOTES TO SINKING FUND FINANCIAL STATEMENTS
– December 31, 1990

(1) Investments

All investments are purchased with the intention of holding them until maturity and are recorded at cost price adjusted annually for amortization of discount or premium on the straight-line basis as determined at the date of purchase with the amount of such amortization included in the interest earned on the Statement of Continuity. Included in the total is an investment in debentures of the Region in the amount of $92,914 (1989 – $109,868).

(2) Actuarial Requirements

The actuarial requirements of the sinking fund represent the amounts levied during the year as set out in the sinking fund debenture by-law plus interest thereon capitalized at a rate of 5% per annum compounded annually. Any excess revenue over these requirements is included in the sinking fund balance.

Auditors' Report - Trust Funds

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Regional Municipality of Durham:

We have audited the balance sheet of the trust funds of the Corporation of the Regional Municipality of Durham as at December 31, 1990 and the statement of continuity of the trust funds for the year then ended. These financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The trust funds of the Corporation of the Regional Municipality of Durham derive the majority of their receipts in the form of contributions on behalf of the residents of the Homes for the Aged, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of such receipts was limited to the amounts recorded in the records of the trust funds and we were not able to determine whether any adjustments might be necessary to receipts, assets or funds balance at the end of the year.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of trust fund receipts referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the trust funds of the Corporation of the Regional Municipality of Durham as at December 31, 1990 and the continuity of trust funds for the year then ended in accordance with the accounting principles disclosed in the Note to the financial statements.

Deloitte & Touche

Chartered Accountants
Oshawa, Ontario
April 30, 1991

Trust Funds

STATEMENT OF CONTINUITY

for the year ended December 31, 1990

	Total	Homes for the Aged			Campbell Bequest	Social Services	Homecare Donations
		Residents	Donations	Bequests			
	$	$	$	$	$	$	$
Balance, beginning of year	**1,756,445**	1,130,092	137,942	474,903	5,354	6,062	2,092
Receipts on behalf of:							
Residents	**894,171**	866,352	27,819	—	—	—	—
Recipients	**69,577**	—	—	—	—	68,727	850
Employees	**2,787**	—	2,787	—	—	—	—
Interest earned	**201,792**	125,640	19,565	55,994	—	235	358
Total receipts	**1,168,327**	991,992	50,171	55,994	—	68,962	1,208
Expenditures on behalf of:							
Residents	**936,170**	901,117	23,456	11,597	—	—	—
Recipients	**69,882**	—	—	—	—	69,464	418
Employees	**6,764**	—	6,764	—	—	—	—
Total expenditures	**1,012,816**	901,117	30,220	11,597	—	69,464	418
Balance, end of year	**1,911,956**	1,220,967	157,893	519,300	5,354	5,560	2,882

BALANCE SHEET

as at December 31, 1990

	Total	Homes for the Aged			Campbell Bequest	Social Services	Homecare Donations
		Residents	Donations	Bequests			
	$	$	$	$	$	$	$
Assets							
Cash and accrued interest	**1,911,956**	1,220,967	157,893	519,300	5,354	5,560	2,882
Fund Balance	**1,911,956**	1,220,967	157,893	519,300	5,354	5,560	2,882

NOTE TO TRUST FUNDS FINANCIAL STATEMENTS

– December 31, 1990

SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted for Ontario municipalities as required by the Ministry of Municipal Affairs, and reflect the following policy as set forth in the Municipal Financial Reporting Handbook.

BASIS OF ACCOUNTING

Receipts and expenditures are reported on the cash basis of accounting with the exception of interest income which is reported on the accrual basis.